

ORIGINAL

Attorney or Party Name, Address, Telephone and Fax Number, and CA State Bar No.		FOR COURT USE ONLY
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UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA		
In re: ANTHONY GIANGRANDE aka TONY GIANGRANDE, Debtor(s).		

NOTICE OF SALE OF ESTATE PROPERTY

Sale Date: No Hearing Set	Time: No Hearing Set
Location: No Hearing Set	

Type of Sale: ☐ Public ☒ Private Last date to file objections: **See attached Sale Motion**

Description of Property to be Sold: **Real property located at: 4827 Tiffany Lane, Yorba Linda CA 92886**

Terms and Conditions of Sale: **See the attached Motion for Order (1) Approving the Sale of Real Property Asset of the Estate Free and Clear of Liens, (2) Approving Asset Purchase Agreement in Connection With the Sale, (3) Approving Payment of Real Estate Commission and Other Costs of Sale; and (4) Granting Other Related Relief ("Sale Motion")**

Proposed Sale Price: **\$1,700,000 - see the attached Sale Motion for further terms of the sale**

Overbid Procedure (If Any): **None**

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

No Hearing Set

Contact Person for Potential Bidders (include name, address, telephone, fax and/or e:mail address):

Robert E. Huttenhoff, Esq.
Shulman Hodges & Bastian LLP
26632 Towne Centre Drive, Suite 300, Foothill Ranch, CA 92610
Telephone: (949) 340-3400; Facsimile: (949) 340-3000

Date: **November 3, 2009**

COPY

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Attorneys for Anthony Giangrande,
the Debtor and Debtor in Possession

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA, SANTA ANA DIVISION

In re

ANTHONY GIANGRANDE aka
TONY GIANGRANDE,

Debtor.

Case No. 8:09-bk-10121 RK

Chapter 11

NOTICE OF MOTION AND DEBTOR'S
MOTION FOR ORDER:

- (1) APPROVING THE SALE OF REAL
PROPERTY ASSET OF THE ESTATE
FREE AND CLEAR OF LIENS;**
- (2) APPROVING ASSET PURCHASE
AGREEMENT IN CONNECTION
WITH THE SALE;**
- (3) APPROVING PAYMENT OF REAL
ESTATE COMMISSION AND OTHER
COSTS OF SALE; AND**
- (4) GRANTING OTHER RELATED
RELIEF**

**MEMORANDUM OF POINTS AND
AUTHORITIES; DECLARATIONS OF
ANTHONY GIANGRANDE AND JULIE
LENT IN SUPPORT THEREOF**

**[Property Located at: 4827 Tiffany Lane
Yorba Linda, CA 92886]**

**[No Hearing Set Pursuant to
Local Bankruptcy Rule 9013-1(o)]**

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I. NOTICE

**TO THE HONORABLE ROBERT N. KWAN, UNITED STATES BANKRUPTCY
JUDGE, THE OFFICE OF THE UNITED STATES TRUSTEE, AND CREDITORS AND
PARTIES-IN-INTEREST:**

PLEASE TAKE NOTICE that Anthony Giangrande, the debtor and debtor in possession herein (“Debtor”) brings this Motion for Order (1) Approving the Sale of Real Property Asset of the Estate Free and Clear of Liens, (2) Approving Asset Purchase Agreement in Connection With the Sale, (3) Approving Payment of Real Estate Commission and Other Costs of Sale; and (4) Granting Other Related Relief (“Sale Motion”).

The Sale Motion is based upon this Notice of the Sale Motion, the Sale Motion and Memorandum of Points and Authorities in Support thereof, the Declarations of Anthony Giangrande and Julie Lent, the pleadings and files in the Debtor’s bankruptcy case, and upon such further oral and documentary evidence as may be presented to the Court in support of the Sale Motion.

PLEASE TAKE FURTHER NOTICE that pursuant to Local Bankruptcy Rule 9013-1(o)(1), any response and request for hearing on the Sale Motion must be filed with the Clerk of the above-entitled Court and a copy served on Shulman Hodges & Bastian LLP to the attention of Mark Bradshaw at the address indicated above and the Office of the United States Trustee, Ronald Reagan Federal Building and United States Courthouse, 411 West Fourth Street, #9041, Santa Ana, California 92701-8000 within fifteen days after the date of service of this notice.

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1 **PLEASE TAKE FURTHER NOTICE** that failure to file a timely response may be
2 deemed as consent to the relief requested in the Motion. **SEE, LOCAL BANKRUPTCY**
3 **RULE 9013-1(h).**

4 Dated: November 2, 2009

SHULMAN HODGES & BASTIAN LLP

6 /s/ Robert E. Huttenhoff

7 _____
Leonard M. Shulman.
8 Robert E. Huttenhoff
Attorneys for Anthony Giangrande, the
9 Debtor and Debtor in Possession

INTRODUCTION

On August 24, 2009, the Debtor filed his first motion seeking Court approval of the sale of the Yorba Linda Property to a different buyer for a purchase price of \$1,900,000. No objection to such motion was filed, however, the prior buyer withdrew his offer. As such, the first motion regarding the Yorba Linda Property was withdrawn and the property put back on the market for sale. As set forth in more detail below, the Debtor now seeks Court approval to sell the Yorba Linda Property¹ to the new Buyer for a purchase price of \$1,700,000. Although the purchase price is less than the first offer, the Debtor is advised that the secured lender, California Bank & Trust, the successor in interest to Alliance Bank, has approved the proposed sale.

The Yorba Linda Property will be sold free and clear of all Liens and Encumbrances wherein California Bank & Trust agrees to accept less than the total amount due on the loan against the Yorba Linda Property. Although the liens in favor of California Bank & Trust exceed the purchase price offer for the Yorba Linda Property, the Debtor is advised that California Bank & Trust has no objection to the proposed sale free and clear of all Liens and Encumbrances.

The Debtor has determined that the best way to create and maximize a recovery for creditors is to sell the Yorba Linda Property as it is not necessary for his reorganization and will reduce the Debtor's monthly operating expenses during the course of the plan of reorganization.

In addition, the Debtor seeks approval of the payment of real estate commission and other costs of sale associated with the sale of the Yorba Linda Property. The real estate commission and costs of sale to be paid related to the sale transaction will be paid from the proceeds of the sale before payoff to California Bank & Trust through escrow.

The Debtor believes the only option available is the orderly sale of the Yorba Linda Property and based on good business reasons, including the current real estate market and the economics of the Debtor's situation, it is in the best interest of the creditors of this Estate that this Sale Motion be approved so that Debtor does not lose these favorable business opportunity.

¹ Capitalized terms are defined below.

II. SALE MOTION

In support of the Sale Motion, the Debtor respectfully represents as follows:

A. Case Commencement

The Debtor filed a petition under Chapter 11 of the Bankruptcy Code on January 9, 2009 ("Petition Date") and has continued in the possession of his property and the management of his affairs.

B. Debtor's Real Property Assets

As of the Petition Date, Assets of the Debtor's bankruptcy estate ("Estate") included two real properties as follows:

Description and Location Property	Nature Of Debtor's Interest	Estimated Market Value as Listed in Debtor's Bankruptcy Schedules and Estimated Liens
Debtor's Residence 4827 Tiffany Lane Yorba Linda, CA 92886 Parcel No. 323-421-16 ("Yorba Linda Property")	Title held in name of Debtor and his non-debtor spouse	Estimated Market Value: \$2,500,000 Total Estimated Liens in Favor of California Bank & Trust, the successor in interest to Alliance Bank: 1st: \$1,819,652 2nd: 1,095,238 (see note on the Anaheim Hills Property below regarding this claim) Total: \$2,914,890
Condominium 8132 Oakridge Anaheim Hills, CA 92808 Parcel No. 930-26-159 ("Anaheim Hills Property")	Title held in name of Debtor and his non-debtor spouse	Estimated Market Value: \$430,000 Total Estimated Liens in Favor of California Bank & Trust, the successor in interest to Alliance Bank: 1st \$367,230.00 2nd \$1,095,238 (cross-collateralized with the Debtor's residence above and stock interests in Secured Diversified Investment, LTD stock) Total: \$1,462,468

Pursuant to Court order entered on February 24, 2009, the Debtor was authorized to sell the Anaheim Hills Property for a purchase price of \$400,000. Escrow has closed on the sale of the Anaheim Hills Property and after costs of the sale including payment of escrow fees, real estate broker commissions and real property taxes, the balance of the sale proceeds (approximately \$374,204.99) were paid to California Bank & Trust who held the first priority lien on the Anaheim Hills Property.

On August 24, 2009, the Debtor filed his first motion seeking Court approval of the sale of the Yorba Linda Property to a different buyer for a purchase price of \$1,900,000. No objection to such motion was filed, however, the prior buyer withdrew his offer. As such, the first motion regarding the Yorba Linda Property was withdrawn and the property put back on the market for sale. As set forth below, the Debtor now seeks Court approval to sell the Yorba Linda Property to the new Buyer for a purchase price of \$1,700,000. Although the purchase price is less than the first offer, the Debtor is advised that California Bank & Trust has approved the proposed sale.

C. The Proposed Sale of the Yorba Linda Property

The legal description of the Yorba Linda Property is set forth in the Preliminary Title Report dated October 20, 2009, a true and correct copy of which is attached as **Exhibit 1** to the Declaration of Anthony Giangrande (“Giangrande Declaration”). The legal description for the Yorba Linda Property is believed to be accurate but may be corrected or updated by the title company in the transfer documents as necessary to complete the proposed sale transaction.

As set forth in the Preliminary Title Report attached to the Giangrande Declaration as **Exhibit 1**, title to the Yorba Linda Property is held in the name of the Debtor and his non-debtor spouse, Kathleen Giangrande, as husband and wife as community property. Mrs. Giangrande has consented to the sale of the Yorba Linda Property as evidenced by her signature on the Residential Purchase Agreement and Joint Escrow Instructions (“Purchase Agreement”), a true and correct copy of which is attached to the Giangrande Declaration as **Exhibit 2**. In brief, the principal terms of the sale of the Yorba Linda Property is as follows²:

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² This summary of the material terms is not meant to be a complete review of every provision of the Asset Purchase Agreement. In the event of any inconsistency between the terms of the Asset Purchase Agreement and this summary, the terms of Asset Purchase Agreement shall control and not this summary.

Buyer:	Lina Mallat and Kameal Andravos						
Purchase Price:	\$1,700,000 (\$15,000 deposit and balance due at closing)						
Escrow Holder:	Marquis Escrow 20459 Yorba Linda Blvd. Yorba Linda, CA 92886						
Outstanding Real Property Taxes:	To be paid by Seller through escrow						
Closing Date:	Forty-Five Days After Acceptance						
Allocation of Costs:	Escrow Fees – Buyer and Seller to each pay their own costs Seller shall pay for County and/or City transfer taxes or transfer fees. Buyer to pay for a home warranty plan. Seller will provide a termite inspection report only, any repairs to made will be the responsibility of the Buyer. Buyer acknowledges that property is being sold in an “as-is” condition and that no repairs will be made by the Seller.						
Allocation of Costs: (Other Customary Costs)	Other normal costs of sale as is customary in the state of California shall be paid by Buyer and Seller.						
Real Estate Commission:	Through this Sale Motion, the Debtor seeks authorization to pay a listing real estate broker commission to Sellers agent, Julie Lent of Re/Max Realty Centre and a selling commission to the Buyer’s real estate agent, Pat Garcia-Velasquez of Advance Realty, in the total amount not to exceed five percent of the purchase price with such commission to be split 50/50 as follows: <table> <tr> <td>Julie Lent of Re/Max Realty Centre</td><td>\$42,500</td></tr> <tr> <td>Alex Horowitz of Coldwell Banker Excellence</td><td>\$42,500</td></tr> <tr> <td>Total Commission</td><td>\$85,000</td></tr> </table>	Julie Lent of Re/Max Realty Centre	\$42,500	Alex Horowitz of Coldwell Banker Excellence	\$42,500	Total Commission	\$85,000
Julie Lent of Re/Max Realty Centre	\$42,500						
Alex Horowitz of Coldwell Banker Excellence	\$42,500						
Total Commission	\$85,000						

The Yorba Linda Property is being sold on an “as is – where as” basis with all faults and conditions then existing at property, and the Buyer shall agree that (1) the Debtor is not making any representations, warranties, either express or implied, as to the condition, use (prior, present and future), or otherwise of the Yorba Linda Property; and (2) the Debtor shall not provide the Buyer with any reports as to the conditions or uses for the Yorba Linda Property.

D. Treatment of the Liens and Encumbrances Under the Sale

The Yorba Linda Property will be sold subject to approval of California Bank & Trust whereby the property will be sold free and clear of all liens and encumbrances (collectively “Liens and Encumbrances”). The Debtor believes that Yorba Linda will agree to accept less than the total amount due on the loans against the Yorba Linda Property.

Outstanding real property taxes will be paid through the sale prior to payment to Yorba Linda.

The Estimated Seller’s Closing Statement attached to the Giangrande Declaration as **Exhibit 3**, indicates that after costs of the sale, including payment of the real estate commission, the net proceeds available for California Bank & Trust from the sale of the Yorba Linda Property will be approximately \$1,593,740.96.

E. Approval of the Sale Serves the Best Interests of the Estate and Creditors

The Debtor believes that the proposed sale is the best available alternative for maximizing the value of the Yorba Linda Property for the Estate and creditors. The alternative to the proposed orderly sale would be the potential loss of Yorba Linda Property through foreclosure sale by California Bank & Trust, which would benefit no parties. The proposed sale will assist the Debtor in reducing monthly costs associated with the Yorba Linda Property.

As set forth in the Declaration of Julie Lent, based on the following marketing history, the offer presented represents a fair market value for the Yorba Linda Property in today’s real estate market:

- In January 2009, the Yorba Linda was listed for sale at \$2,500,000.
- In March 2009, an offer was received for \$1,500,000. Over the next few months, the Debtor and this buyer exchanged counter offers trying to reach a number acceptable to all parties. Ultimately, this buyer was willing to pay \$1,700,000.
- In June 2009, the listing price for the Yorba Linda Property was reduced to \$2,225,000. This reduction in the listing price did not generate any real interest.
- After consulting with Matthew Mara at California Bank & Trust, the successor in interest to Alliance Bank, it was decided to reduce the listing price further. On August 3, 2009, the listing price was reduced to \$1,990,000. This price reduction generated ten showings in eight days and two offers were received. Counter offers were sent to both buyers at \$1,900,000 and one accepted, but later withdrew his offer after the motion to Bankruptcy Court seeking approval of the

1 sale had been filed. Since that time, the offer that is the subject of this Sale
2 Motion (\$1,700,000) is the highest offer that has been received.

3 As such, given the present state of the real estate market in Southern California, the
4 Debtor believes that the sale of the Yorba Linda Property will be for a purchase price that is fair
5 and reasonable.

6 Thus, good causes exists to grant the Sale Motion so that the Debtor does not lose the
7 favorable business opportunity.

8 **III. MEMORANDUM OF POINTS AND AUTHORITIES**

9 **A. The Court May Approve a Sale of When There is a Good Faith Purchaser**

10 The Debtor, after notice and hearing, may sell property of the Estate. Bankruptcy Code
11 Section 363(b). The standards to establish are that there is a sound business purpose for the sale,
12 that the sale is in the best interests of the estate, i.e., the sale is for a fair and reasonable price,
13 that there is accurate and reasonable notice to creditors and that the sale is made in good faith. In
14 re Wilde Horse Enterprises, Inc., 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991); In re Lionel Corp.,
15 722 F.2d 1063, 1069 (2d Cir. 1983). Business justification would include the need to close a sale
16 to one of very few serious bidders where an asset has been extensively shopped and a delay
17 could jeopardize the transaction. See, e.g., In re Crowthers McCall Pattner, Inc., 114 B.R. 877,
18 885 (Bankr. S.D.N.Y. 1990) (extreme difficulty finding a buyer justified merger when buyer
19 found). The Debtor's proposed sale of the Yorba Linda Property meets the foregoing criteria.

20 **1. Sound Business Purpose**

21 The Ninth Circuit in In re Walter, 83 B.R. 14 (Bankr. 9th Cir. 1988) has adopted a
22 flexible, case by case test to determine whether the business purpose for a proposed sale justifies
23 disposition of property of the estate under Section 363(b). In Walter, the Ninth Circuit, adopting
24 the reasoning of the Fifth Circuit in In re Continental Air Lines, Inc., 780 F.2d 1223 (5th Cir.
25 1986), and the Second Circuit in In re Lionel Corp., 722 F.2d 1063 (2d Cir. 1983), set forth the
26 following standard to be applied under Bankruptcy Code Section 363(b).

27 Whether the proffered business justification is sufficient depends
28 on the case. As the Second Circuit held in Lionel, the bankruptcy
judge should consider all salient factors pertaining to the

proceeding and, accordingly, act to further the diverse interests of the debtor, creditors and equity holders, alike. He might, for example, look to such relevant factors as the proportionate value of the assets to the estate as a whole, the amount of lapsed time since the filing, the likelihood that a plan of reorganization will be proposed and confirmed in the near future, the effect of the proposed disposition on future plans of reorganization, the proceeds to be obtained from the disposition vis-a-vis any appraisals of the property, which of the alternatives of use, sale or lease the proposal envisions and, most importantly perhaps, whether the asset is increasingly or decreasing in value. This list is not intended to be exclusive, but merely to provide guidance to the bankruptcy judge.

Walter, supra, at 19-20 [quoting In re Continental Air Lines, Inc., 780 F.2d 1223, 1226 (5th Cir. 1986)].

Here, the facts surrounding the sale support the Debtor's business decision that the proposed sale is in the best interest of the Estate and its creditors. As set forth above, the amount owed on the Yorba Linda Property exceeds its estimated fair market value. The Debtor has determined that the best way to create and maximize a recovery for creditors is to sell the Yorba Linda Property as it is not necessary for his reorganization. The sale of the Yorba Linda Property will assist the Debtor in reducing monthly operating expenses. If the Court does not approve the sale, the Debtor may lose the opportunity to sell the Yorba Linda Property and cause the Estate to incur additional expenses associated with finding a new buyer if one could be found in the present real estate market.

If the sale is not approved, the Debtor may run the chance of losing the Yorba Linda Property to a foreclosure sale by secured creditor California Bank & Trust.

Therefore, the Debtor respectfully submits that, if this Court applies the good business reason standard suggested by the Second Circuit in Lionel, the sale should be approved.

2. The Sale Serves The Best Interests Of the Estate and Creditors

The benefits to the Estate, as set forth above, are tremendous. If the sale is not approved, the Debtor will incur costs with trying to find a new buyer, or will lose Yorba Linda Property through a foreclosure sale.

1 Furthermore, the Debtor has determined that the best way to create and maximize a
2 recovery for creditors is to sell the Yorba Linda Property as it is not necessary for his
3 reorganization and the sale will reduce monthly costs.

4 Thus, the Debtor has made a business decision that it is in the best interest of the creditors
5 of this Estate that this Sale Motion be approved.

6 3. Accurate and Reasonable Notice

7 It is expected that notice of this Sale Motion will satisfy the requirements for accurate
8 and reasonable notice and will be appropriate under the circumstances.

9 The Debtor shall provide notice of the proposed sale to all creditors. Notice of this Sale
10 Motion will be served on all creditors and will include a summary of the terms and conditions of
11 the proposed sale, the time fixed for filing objections, and a general description of each property.
12 The Debtor submits that the notice requirements will have been satisfied, thereby allowing
13 creditors and parties in interest an opportunity to object to the sale. Hence, no further notice
14 should be necessary.

15 4. The Sale is Made In Good Faith

16 The proposed sales have been brought in good faith and have been negotiated on an
17 "arms length" basis.

18 The court, in Wilde Horse Enterprises, set forth the factors in considering whether a
19 transaction is in good faith. The court stated:

20
21 'Good faith' encompasses fair value, and further speaks to the
22 integrity of the transaction. Typical 'bad faith' or misconduct,
23 would include collusion between the seller and buyer, or any
24 attempt to take unfair advantage of other potential purchasers. . . .
And, with respect to making such determinations, the court and
creditors must be provided with sufficient information to allow
them to take a position on the proposed sale. (citations omitted)

25 Id. at 842.

26 In the present case, the negotiation of the proposed sale was an arms-length transaction.
27 The negotiations with the Buyer has resulted in an offer to sell that will have substantial benefit.
28 As set forth in the Notice of the Sale Motion, the creditors will have been provided with

sufficient notice of the sale. Accordingly, the sale is in good faith and should be approved. The Debtor requests such a finding pursuant to Bankruptcy Code Section 363(m).

B. Sale of the Property Free and Clear of Liens and Encumbrances Should be Permitted

Bankruptcy Code Section 363(f) allows a Chapter 11 debtor to sell property of the bankruptcy estate “free and clear of any interest in such property of an entity,” if any one of the following five conditions is met:

(1) applicable non-bankruptcy law permits a sale of such property free and clear of such interest;

(2) such entity consents;

(3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;

(4) such interest is in bona fide dispute; or

(5) such entity could be compelled, in a legal or equitable proceeding, to accept money satisfaction of such interest.

Bankruptcy Code Section 363(f).

Section 363(f) is written in the disjunctive and thus only one of the enumerated conditions needs to be satisfied for Court approval to be appropriate.

1. Section 363(f)(2)- Consent

The sale of Yorba Linda Property is proper pursuant to Section 363(f)(2). The Debtor believes that secured creditor California Bank & Trust will have no objection to the sale under the terms set forth herein. The Debtor desires to take advantage of a favorable purchase offer to effectuate the sales of Yorba Linda Property and reduce monthly costs.

Subject to lender approval, the Yorba Linda Property will be sold free and clear of all Liens and Encumbrances wherein California Bank & Trust agrees to accept less than the total amount due on the loan against the Yorba Linda Property. The Debtor does not anticipate that the California Bank & Trust will object to the Sale Motion.

Courts have approved sales under Bankruptcy Code Section 363(f) even where the sale price did not exceed the value of the liens asserted on the property so long as the sale is for fair market value. In re Terrace Gardens Park Partnership, 96 B.R. 707 (Bankr. W.D. Tex. 1989); In re Beker Indus. Corp., 63 B.R. 474, 477 (Bankr. S.D.N.Y. 1986).

Thus, approval for the sale of the Yorba Linda Property free and clear of Liens and Encumbrances in the manner provided herein is appropriate.

C. The Sales Do Not Contravene Policy

As early as 1981, a court held that:

As to whether the sale by a trustee of all of the debtor's assets must take place in the context of a confirmed reorganization plan, the case law again is clear that there is nothing objectionable about a sale of all the assets outside of a Chapter 11 plan.

In re WHET, Inc., 12 B.R. 743, 750 (Bankr. D. Mass. 1981).

Not to the contrary, the Fifth Circuit decision in In re Braniff Airways, Inc., 700 F.2d 935 (5th Cir. 1983), disapproved an asset sale because the transaction at issue involved much more than a sale of property in that the documents significantly limited the debtor's reorganization options. Id. At 939.

The Debtor believes the only option available is the orderly sale of the Yorba Linda Property. In essence, based on good business reasons, including the current real estate market and the economics of the Debtor's situation, it is in the best interest of the creditors of this Estate that this Sale Motion be approved.

Accordingly, the sale does not conflict with underlying bankruptcy policy. See, In re Brethren Care of South Bend, Inc., 98 B.R. 927, 934 (Bankr. N.D. Ind. 1989) (certainty of future for tenants was good business reason and only feasible plan was liquidation, so 363 sale approved despite pending plan of reorganization).

D. The Court has Authority to Waive the Ten-Day Stay of Sale

Federal Rule of Bankruptcy Procedure 6004(h) provides that "[a]n order authorizing the use, sale or lease of property other than cash collateral is stayed until the expiration of 10 days after entry of the order, unless the Court orders otherwise."

The Debtor desires to close the sale on the Yorba Linda Property as soon as practicable after entry of an order approving the sale. Accordingly, the Debtor requests that the Court in the discretion provided it under Federal Rule of Bankruptcy Procedure 6004(h), waive the ten-day stay of the order granting this Sale Motion and approving the sale.

E. Approval of the Motion Without a Hearing is Appropriate

Local Bankruptcy Rule ("LBR") 9013-1(0) provides as follows:

(o) Motions and Matters Not Requiring a Hearing

(1) Matters That May Be Determined Upon Notice of Opportunity to Request Hearing. Except as to matters specifically noted in paragraph (o)(2) below, and as otherwise ordered by the court, any matter which may be set for hearing in accordance with LBR 9013-1 may be determined upon notice of opportunity to request a hearing. :

(A) Notice. When the notice of opportunity for hearing procedure is used, the notice must:

- (i) Succinctly and sufficiently describe the nature of the relief sought and set forth the essential facts necessary for a party in interest to determine whether to file a response and request a hearing;
- (ii) State that LBR 9013-1(o)(1) requires that any response and request for hearing must be filed with the court and served on the movant and the United States Trustee within 15 days after the date of service of the notice; and
- (iii) Be filed with the court and served by the moving party on all creditors and other parties in interest who are entitled to notice of the particular matter.

(B) Motion. The motion and supporting papers must be filed with the notice, but must be served only on the United States Trustee and those parties who are directly affected by the requested relief.

(2) Matters That May Not be Determined Upon Notice of Opportunity to Request Hearing. Unless otherwise ordered by the court, the following matters may not be determined by the procedure set forth in paragraph (o)(1) above:

- (A) Objections to claims;
- (B) Motions regarding the stay of 11 U.S.C. § 362;
- (C) Motions for summary judgment and partial summary adjudication;
- (D) Motions for approval of cash collateral stipulations;
- (E) Motions for approval of postpetition financing;

- (F) Motions for continuance;
- (G) Adequacy of chapter 11 disclosure statements;
- (H) Confirmation of plans in chapter 9, chapter 11, chapter 12, and chapter 13 cases;
- (I) Motions for orders establishing procedures for the sale of the estate's assets under LBR 6004-1(b).
- (J) Motions for recognition of a foreign proceeding as either a main or a nonmain proceeding;
- (K) Motions for the adoption of a chapter 15 administrative order; and
- (L) Motions for the adoption of a cross-border protocol.

Bankruptcy Code Section 102(1)(B) provides that "after notice and a hearing", or a similar phrase-

(B) authorizes an act without an actual hearing if such notice is given properly and if-

(i) such a hearing is not requested timely by a party in interest; or

(ii) there is insufficient time for a hearing to be commenced before such act must be done, and the court authorizes such act;

The Debtor believes the LBR 9013-1(o) procedure is appropriate in this case as the Debtor does not anticipate any opposition to the Sale Motion as the relief requested will serve the best interest of the Estate and its creditors. Thus, the procedure will save the Estate the fees and costs associated with conducting a hearing on approval of a matter which the Debtor anticipates will not be opposed.

IV. CONCLUSION

Based upon the foregoing, the Debtor respectfully submits that good cause exists for granting the Sale Motion and the Debtor respectfully requests that the Court enter an order as follows:

1. Approving the Purchase Agreement related to the Yorba Linda Property attached as **Exhibit 2** to the Giangrande Declaration and authorizing the Debtor to sell the Yorba Linda

Property to the Buyer free and clear of all Liens and Encumbrances with Liens and Encumbrances subject to approval by California Bank & Trust through escrow on the sale.

2. A determination by the Court that the Buyer is in good faith with respect to each of the sales pursuant to Bankruptcy Code Section 363(m).

3. Waiving the ten-day stay of the order approving the sale of the Yorba Linda Property under Federal Rules of Bankruptcy Procedure 6004(h).

4. Authorizing the payment of the real estate commission and other costs of sale through escrow for the Yorba Linda Property as provided in the respective Purchase Agreement.

5. And for such other and further relief as the Court deems just and proper under the circumstances of this case.

Dated: November 2, 2009

Respectfully submitted,

SHULMAN HODGES & BASTIAN LLP

/s/ Robert E. Huttenhoff

Leonard M. Shulman.
Robert E. Huttenhoff
Attorneys for Anthony Giangrande, the
Debtor and Debtor in Possession

DECLARATION

DECLARATION OF ANTHONY GIANGRANDE

I, Anthony Giangrande, declare:

1. I am the debtor and debtor in possession in the case of In re Anthony Giangrande, Case No. 8:09-10121 RK. I have personal knowledge of the facts set forth herein and could, if called as a witness, competently testify thereto.

2. I make this Declaration in support of my Motion for Order (1) Approving the Sale of Real Property Asset of the Estate Free and Clear of Liens, (2) Approving Asset Purchase Agreement in Connection With the Sale, (3) Approving Payment of Real Estate Commission and Other Costs of Sale; and (4) Granting Other Related Relief ("Sale Motion"). Unless other noted, capitalized terms herein have the meaning as set forth in the Sale Motion.

3. I filed a petition under Chapter 11 of the Bankruptcy Code on January 9, 2009, ("Petition Date") and have continued in the possession of my property and the management of my affairs.

4. As of the Petition Date, assets of my Estate included two real properties as follows:

Description and Location Property	Nature Of Debtor's Interest	Estimated Market Value as Listed in Debtor's Bankruptcy Schedules and Estimated Liens
Debtor's Residence 4827 Tiffany Lane Yorba Linda, CA 92886 Parcel No. 323-421-16 ("Yorba Linda Property")	Title held in name of Debtor and his non-debtor spouse	Estimated Market Value: \$2,500,000 Total Estimated Liens in Favor of California Bank & Trust as the successor in interest to Alliance Bank: 1st: \$1,819,652 2nd: 1,095,238 (see note on the Anaheim Hills Property below regarding this claim) Total: \$2,914,890
Condominium 8132 Oakridge Anaheim Hills, CA 92808 Parcel No. 930-26-159 ("Anaheim Hills Property")	Title held in name of Debtor and his non-debtor spouse	Estimated Market Value: \$430,000 Total Estimated Liens in Favor of California Bank & Trust as the successor in interest to Alliance Bank: 1st \$367,230.00 2nd \$1,095,238 (cross-collateralized with the Debtor's residence above and stock interests in Secured Diversified Investment, LTD stock) Total: \$1,462,468

1 5. Pursuant to Court order entered on February 24, 2009, I was authorized to sell the
2 Anaheim Hills Property for a purchase price of \$400,000. Escrow has closed on the sale and
3 after costs of the sale including payment of escrow fees, real estate broker commissions and real
4 property taxes, the balance of the sale proceeds (approximately \$374,204.99) were paid to
5 California Bank & Trust who held the first priority lien on the Anaheim Hills Property.

6 6. On August 24, 2009, with the assistance of my counsel I filed my first motion
7 seeking Court approval of the sale of the Yorba Linda Property to a different buyer for a
8 purchase price of \$1,900,000. No objection to this first motion was filed, however, the prior
9 buyer withdrew his offer. As such, the first motion regarding the Yorba Linda Property was
10 withdrawn and the property put back on the market for sale. I now seek Court approval to sell
11 the Yorba Linda Property to the new Buyer for a purchase price of \$1,700,000. Although the
12 purchase price is less than the first offer, I am advised that the secured lender, California Bank &
13 Trust, has approved the proposed sale.

14 7. The legal description of the Yorba Linda Property is set forth in the Preliminary
15 Title Report dated October 20, 2009, a true and correct copy of which is attached as hereto
16 **Exhibit 1**. The legal description for the Yorba Linda Property is believed to be accurate but
17 may be corrected or updated by the title company in the transfer documents as necessary to
18 complete the proposed sale transaction.

19 8. As set forth in the Preliminary Title Report attached hereto as **Exhibit 1**, title to
20 the Yorba Linda Property is held in my name with my non-debtor spouse, Kathleen Giangrande,
21 as husband and wife as community property. My wife has consented to the sale of the Yorba
22 Linda Property as evidenced by her signature on the Residential Purchase Agreement and Joint
23 Escrow Instructions ("Purchase Agreement"), a true and correct copy of which is attached hereto
24 as **Exhibit 2**.

25 9. **I propose to sell the Yorba Linda Property on an "as is – where as" basis**
26 **with all faults and conditions then existing at property, and the Buyer shall agree (1) that I**
27 **am not making any representations, warranties, either express or implied, as to the**
28 **condition, use (prior, present and future), or otherwise of the Yorba Linda Property; and**

(2) I shall not provide the Buyer with any reports as to the conditions or uses for the Yorba Linda Property.

10. The Yorba Linda Property will be sold subject to approval of California Bank & Trust whereby the property will be sold free and clear of all liens and encumbrances (collectively "Liens and Encumbrances"). It is my understanding that California Bank & Trust will agree to accept less than the total amount due on the loans against the Yorba Linda Property.

11. Outstanding real property taxes will be paid through the sale prior to payment to Yorba Linda.

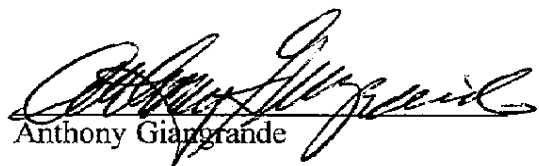
12. Attached hereto as **Exhibit 3** is the Estimated Seller's Closing Statement setting forth the costs of the sale, including payment of the real estate commission, and the net proceeds available for California Bank & Trust from the sale of the Yorba Linda Property.

13. I believe that the proposed sale is the best available alternative for maximizing the value of the Yorba Linda Property for the Estate and creditors. The alternative to the proposed orderly sale would be the potential loss of Yorba Linda Property through foreclosure sale by California Bank & Trust, which would benefit no parties. The proposed sale will assist me in reducing monthly costs associated with the Yorba Linda Property.

14. Thus, good causes exists to grant the Sale Motion so that the I do not lose the favorable business opportunity.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on November 2, 2009, at Yorba Linda, California.


Anthony Giangrande

DECLARATION

DECLARATION OF JULIE LENT

I, Julie Lent, declare:

1. I am the proposed real estate agent for Anthony Giangrande, the debtor and debtor in possession in the case of In re Anthony Giangrande, Case No. 8:09-10121 RK.

2. I am a real estate agent, duly licensed in the State of California and employed with Re/Max Realty Centre located at 20459 Yorba Linda Boulevard, Yorba Linda, California 92886; telephone 714-777-5112. I have personal knowledge of the facts set forth herein and could, if called as a witness, competently testify thereto.

3. I make this Declaration in support of the Debtor's Motion for Order (1) Approving the Sale of Real Property Asset of the Estate Free and Clear of Liens, (2) Approving Asset Purchase Agreement in Connection With the Sale, (3) Approving Payment of Real Estate Commission and Other Costs of Sale; and (4) Granting Other Related Relief ("Sale Motion"). Unless otherwise noted, capitalized terms herein have the meaning as set forth in the Sale Motion.

4. I am familiar with the foregoing Sale Motion and the Yorba Linda Property described therein.

5. Based on the following marketing history, I believe that the offer presented by the Buyer represents a fair market value for the Yorba Linda Property in today's real estate market:

- In January 2009, the Yorba Linda was listed for sale at \$2,500,000.
- In March 2009, an offer was received for \$1,500,000. Over the next few months, the Debtor and this buyer exchanged counter offers trying to reach a number acceptable to all parties. Ultimately, this buyer was willing to pay \$1,700,000.
- In June 2009, the listing price for the Yorba Linda Property was reduced to \$2,225,000. This reduction in the listing price did not generate any real interest.
- After consulting with Matthew Mara at California Bank and Trust, the successor in interest to Alliance Bank, it was decided to reduce the listing price further. On August 3, 2009, the listing price was reduced to \$1,990,000. This price reduction generated ten showings in eight days and two offers were received. Counter offers were sent to both buyers at \$1,900,000 and one accepted, but later withdrew his offer after the motion to Bankruptcy Court seeking approval of the sale had been filed. Since that time, the offer that is the subject of the Debtor's current Sale Motion (purchase price of \$1,700,000) is the highest offer that has been received.

1 6. Given the present state of the real estate market in Southern California, I believe
2 that the proposed sale of the Debtor's Yorba Linda Property for a purchase price of \$1,700,000,
3 is fair and reasonable.

4 I declare under penalty of perjury under the laws of the United States of America that the
5 foregoing is true and correct.

6 Executed on November 2, 2009, at Yorba Linda, California.

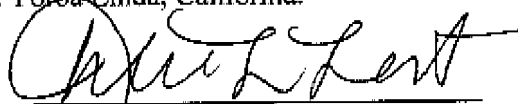
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EXHIBIT 1

Title Report



Fidelity National Title Company

PRELIMINARY REPORT

In response to the application for a policy of title insurance referenced herein, Fidelity National Title Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a California corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.


Countersigned



Fidelity National Title Company

BY

 President

ATTEST

 Secretary



Fidelity National Title Company

7595 Irvine Center Drive Suite 250 Irvine, CA 92618
(949) 788-2800 FAX (949) 788-2897

PRELIMINARY REPORT

ESCROW OFFICER: Cheryl
TITLE OFFICER: Debbie Tognetti

ORDER NO.: 49054041

LOAN NO.: Giangrande

TO: Marquis Escrow
20459 Yorba Linda
Yorba Linda, CA 92886

ATTN: Cheryl
YOUR REFERENCE.: 3009-5004-CH

SHORT TERM RATE: Yes

PROPERTY ADDRESS: 4827 Tiffany Lane, Yorba Linda, California

EFFECTIVE DATE: October 20, 2009, 07:30 A.M.

The form of policy or policies of title insurance contemplated by this report is:

ALTA Owner's Policy (6/17/06)
ALTA Loan Policy (6/17/06)

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A FEE as to Parcel(s) 1;
EASEMENT(S) more fully described below as to Parcel(s) 2;

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

Anthony Giangrande and Kathleen Giangrande, Husband and Wife as Community Property

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "ONE" ATTACHED HERETO AND MADE A PART HEREOF

OS\fp/acp 08/19/2009

LEGAL DESCRIPTION

EXHIBIT "ONE"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF YORBA LINDA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Parcel 1:

Parcel 1 of Parcel Map No. 94-133, in the City of Yorba Linda, County of Orange, State of California, as per map filed in Book 317 Pages 12 and 13 of Parcel Maps, in the office of the County Recorder of said county.

Except therefrom all oil, oil rights, natural gas rights, mineral rights and other hydrocarbon substances by whatever name known, together with appurtenant rights thereto, without, however, any right to enter upon the surface of said land nor any portion of the subsurface lying above a depth of 500 feet, as excepted or reserved in instruments of record.

Parcel 2:

An easement over a strip of land in that portion of Lot 3, Block 8, of the Yorba Linda Tract, as shown on a map recorded in Book 5 Pages 17 and 18 of Miscellaneous Maps, records of Orange County, California, being 15.00 feet on either side of the following described line:

Beginning at a point on the East line of said Lot 3, said point being South 0° 33' 50" East 337.06 feet from the Northeast corner of said Lot 3; thence South 89° 43' 37" West 1259.75 feet to the West line of said Lot 3.

Excepting therefrom that portion included within Parcel 1 above described.

Parcel 3:

A non-exclusive easement for road and public utility purposes over the Northerly 15 feet of the following described parcel.

That portion of Lot 3 in Block 8 of the Yorba Linda Tract, as shown on a map recorded in Book 5 Pages 17 and 18 of Miscellaneous Maps, records of Orange County, California, described as follows:

Beginning at a point on the North line of said Lot 3, distant thereon South 89° 43' 37" West 647.48 feet from the Northeast corner of said Lot 3; thence South 1° 00' 30" East 337.07 feet; thence South 89° 43' 37" West parallel to the said North line of Lot 3 a distance of 614.88 feet to a point on the West line of said Lot 3, said point being South 1° 27' 10" East 337.13 feet from the Northwest corner of said Lot 3; thence North 1° 27' 10" West 337.13 feet to the Northwest corner of said lot; thence North 89° 43' 37" East along said North line of Lot 3, a distance of 617.49 feet to the point of beginning.

Assessor's Parcel No: 323-421-16

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. **Property taxes**, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2010-2011.
2. **Property taxes**, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2009-2010, Assessor's Parcel Number 323-421-16.

Code Area Number: 007-163
1st Installment: \$1,204.75 OPEN
2nd Installment: \$1,204.74 OPEN
Land: \$45,000.00
Improvements: \$105,000.00
Exemption: \$NONE
Personal Property: \$

3. **The lien of supplemental taxes**, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation code of the State of California.

4. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as set forth in a document;

Purpose: Irrigation or drainage ditches, pipe lines or conduits
Recorded: May 17, 1913, Book 232, Page 224, of Deeds
Affects: Parcel 1

5. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as set forth in a document;

Purpose: Irrigation or drainage ditches, pipe lines or conduits
Recorded: December 2, 1915, Book 279, Page 247, of Deeds
Affects: Parcel 2

6. **Covenants, conditions and restrictions** in the declaration of restrictions but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Recorded: May 17, 1913, Book 232, Page 224, of Official Records

and recorded: December 2, 1915, Book 279, Page 247, of Official Records

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

Modification(s) of said covenants, conditions and restrictions

Recorded: June 12, 1934, Book 680, Page 263, of Official Records

EXHIBIT 1, Page 27

7. The right, title and interest reserved by William J. Long in that certain deed dated July 17, 1944 recorded October 21, 1944 in Book 1269 Page 475 of Official Records, wherein William J. Long and Sarah Jane Long, husband and wife, conveyed to Douglas Lish and Mae V. Lish, husband and wife as joint tenants, the South 9.6 acres of said Lot 3, "Reserving to William J. Long, one of the grantors named above, one half of all oil and mineral rights for a period of 14 years from date.
8. The right, title and interest reserved by James A. Small and Helen A. Small, husband and wife, in that certain deed dated April 12, 1947, recorded June 21, 1947 in Book 1529 Page 354 of Official Records, wherein James A. Small and Helen A. Small, husband and wife, granted to Harry L. Runnion and others, the North 10 acres of said Lot 3, "Reserving unto the grantors an undivided one-half interest in any oil, that may be produced upon the above property in commercial quantities from such producing oil wells which existed on the property prior to said 20 years from date hereof.
9. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as set forth in a document;

Purpose: Road and public utility
Recorded: Book 5565, Page 111, of Official Records
Affects: The Northerly 15 feet and Southerly 15 feet of Parcel 1

and re-recorded Book 5608, Page 62, of Official Records
10. Any boundary discrepancies or rights which may exist on arise by reason of the map of survey of said property, which was recorded in Book 53 Page 13, records of survey.
11. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as set forth in a document;

Purpose: Pole lines and conduits
Recorded: Book 6337, Page 872, of Official Records
Affects: A portion of Parcel 2
12. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as set forth in a document;

Purpose: Pole lines and conduits
Recorded: Book 6370, Page 166, of Official Records
Affects: A strip of land 10 feet in width, the centerline of which is more particularly described therein

Reference is made to said document for full particulars.
13. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as set forth in a document;

Purpose: Gas pipes
Recorded: Book 6411, Page 18, of Official Records
Affects: A portion of Parcel 2

14. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document;
- Purpose: Pole lines and conduits
Recorded: Book 6857, Page 309, of Official Records
Affects: A portion of Parcel 2
15. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document;
- Purpose: Pole lines and conduits
Recorded: Book 6857, Page 310, of Official Records
Affects: A portion of Parcel 2
16. The terms, covenants and conditions of a road maintenance agreement affecting Parcel 3, recorded May 22, 1967 in Book 8258 Page 833 of Official Records.
17. The terms, covenants and conditions of a road maintenance agreement affecting Parcel 2, recorded May 22, 1970 in Book 9296 Page 485 of Official Records.
- Reference is made to said document for full particulars.
18. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document;
- Purpose: Public street, road or highway purposes
Recorded: May 22, 1970, Book 9296, Page 485, of Official Records
Affects: The Southerly 20 feet of Parcel 1
19. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document;
- Purpose: Public utilities
Recorded: Book 12431, Page 1549, of Official Records
Affects: The Southerly 15 feet of Westerly 360 feet of that portion of Lot 3 more particularly described therein
20. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document;
- Purpose: Storm drain
Recorded: December 28, 1995, Instrument No. 19950581830, of Official Records
Affects: That portion of said land described therein
- Reference is made to said document for full particulars.

21. **Easement(s)** for the purposes(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.

Purpose: Private road, ingress, egress, public service and public utility purposes
Affects: As shown on said map

Reference is made to said document for full particulars.

22. **Easement(s)** for the purposes(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.

Purpose: Water
Affects: The Westerly 10 feet

Reference is made to said document for full particulars.

23. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as set forth in a document;

Purpose: Public street, road or highway purposes
Recorded: March 21, 2000, Instrument No. 2000-145611, of Official Records
Affects: Said land

24. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as set forth in a document;

Purpose: Public utilities
Recorded: May 23, 2001, Instrument No. 2001-333137, of Official Records
Affects: Said land

25. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as set forth in a document;

Purpose: Access
Recorded: June 25, 2001, Instrument No. 2001-416109, of Official Records
Affects: The Westerly 12 feet of Parcel 1

26. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as set forth in a document;

Purpose: Public utilities
Recorded: June 5, 2001, Instrument No. 20010366625, of Official Records
Affects: That portion of said land described therein.

Reference is made to said document for full particulars.

27. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as set forth in a document;

Purpose: Public utilities
Recorded: September 6, 2001, of Official Records
Affects: That portion of said land therein

Reference is made to said document for full particulars.

28. **Matters** contained in that certain document entitled "Memorandum of Road Maintenance Agreement" dated None Shown, executed by and between Doug Simao, Willard Hankins, Jr., Norma Salas-Hunkins and the Lastinger Community Property Trust February 26, 1997, Erin J. Lastinger and Gary M. Lastinger, Trustees and Anthony Giangrande recorded August 4, 2003, Instrument No. 2003000931822, of Official Records, which document, among other things, contains or provides for: As provided therein..

Reference is hereby made to said document for full particulars.

29. **A deed of trust** to secure an indebtedness in the amount shown below, and any other obligations secured thereby

Amount: \$3,000,000.00
Dated: September 26, 2005
Trustor: Anthony Giangrande and Kathleen Giangrande, husband and wife as community property
Trustee: Alliance Bank, a California Corporation
Beneficiary: Alliance Bank
Loan No.: 5389
Recorded: September 28, 2005, Instrument No. 2005000765192, of Official Records

An agreement which states that this instrument was subordinated to the document or interest shown as Item No. 28,

By agreement
Recorded: July 31, 2006, Instrument No. 2006000507886, of Official Records

30. **A deed of trust** to secure an indebtedness in the amount shown below, and any other obligations secured thereby

Amount: \$1,843,000.00
Dated: July 17, 2006
Trustor: Anthony Giangrande and Kathleen Giangrande, husband and wife as community property
Trustee: Alliance Bank, a California Corporation
Beneficiary: Alliance Bank
Loan No.: 10400256
Recorded: July 31, 2006, Instrument No. 2006000507885, of Official Records

To avoid delays at the time of closing, if the above deed of trust is an Equity Line/Line of Credit, it will be necessary that all checks, passbooks, credit cards together with instructions to close the account be submitted prior to the close of escrow.

In order to expedite compliance with the above, please do the following:

- (a) Request that the account be frozen
- (b) Obtain a statement from the lender that no advances have been made after the issuance of the demand for payoff
- (c) Upon delivery of the payoff check obtain a full reconveyance
- (d) In that said deed of trust, under a design line agreement, may secure more than one note, make inquiry when requesting the demand as to the existence of more than one note.

31. **This company will require a statement of information** from the parties named below in order to complete this report, based on the effect of documents, proceedings, liens, decrees, or other matters which do not specifically describe said land, but which, if any do exist, may affect the title or impose liens or encumbrances thereon. After review of the requested Statement(s) of Information the Company may have additional requirements before the issuance of any policy of title insurance.

Parties: LINA MALLAT AND KEMEEL H. ANDRAWOS

(Note: The statement of information is necessary to complete the search and examination of title under this order. Any title search includes matters that are indexed by name only, and having a completed statement of information assists the Company in the elimination of certain matters which appear to involve the parties but in fact affect another party with the same or similar name. Be assured that the statement of information is essential and will be kept strictly confidential to this file).

32. **In order to complete this report**, this Company requires a Statement of Information to be completed by the following party,

Party: All Parties

The Company reserves the right to add additional items or make further requirements after review of the requested Statement(s) of Information.

33. **The application** for title insurance was placed by reference to only a street address or tax identification number.

Based on our records, we believe that the description in this report covers the parcel requested, however, if the legal description is incorrect a new report must be prepared.

If the legal description is incorrect, in order to prevent delays, the seller/buyer/borrower must provide the Company and/or the settlement agent with the correct legal description intended to be the subject of this transaction.

END OF ITEMS

- Note 1.** The current owner does NOT qualify for the \$20.00 discount pursuant to the coordinated stipulated judgments entered in actions filed by both the Attorney General and private class action plaintiffs for the herein described property.

- Note 2.** The office of Debbie Tognetti may be reached by phone at (949) 788-2865 or fax (949) 341-0251 or by email dtognetti@fnf.com

- Note 3.** None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an Extended Coverage Loan Policy, when issued.

- Note 4.** The Company is not aware of any matters which would cause it to decline to attach the CLTA Endorsement Form 116 indicating that there is located on said land a single family dwelling known as 4827 Tiffany Lane, Yorba Linda, CA to an Extended Coverage Loan Policy.

Note 5. Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts are:

APN:	323-421-16
Fiscal year	2008-2009
1st Installment:	\$9,788.63 PAID
2nd Installment:	\$9,788.63 PAID
Exemption:	\$7,000.00
Land:	\$948,819.00
Improvements:	\$866,087.00
Personal Property:	\$None Shown
Code Area:	25003

Note 6. NOTE: Amended Civil Code Section 2941, which becomes effective on January 1, 2002, sets the fee for the processing and recordation of the reconveyance of each Deed of Trust being paid off through this transaction at \$45.00. The reconveyance fee MUST be clearly set forth in the Beneficiary's Payoff Demand Statement ("Demand"). In addition, an assignment or authorized release of that fee, from the Beneficiary to the Trustee of record, must be included. An example of the required language is as follows:

"The Beneficiary identified above hereby assigns, releases or transfers to the Trustee of record, the sum of \$45.00, included herein as "Reconveyance Fees", for the processing and recordation of the Reconveyance of the Deed of Trust securing the indebtedness covered hereby, and the Escrow Company or Title Company processing this pay-off is authorized to deduct the Reconveyance Fee from this Demand and forward said fee to the Trustee of record or the successor Trustee under the Deed of Trust to be paid in full."

Note 7. There are NO deeds affecting said land, recorded within twenty-four (24) months of the date of this report.

Note 8. The charge for a policy of title insurance, when issued through this title order, will be based on the Short Term Rate.

Note 9. If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.

Note 10. Wiring instructions for Fidelity National Title Company, Orange County, California, are as follows:

Receiving Bank:

US Bank
535 Westminster Mall
Westminster, California, Ca. 92683

ABA Routing No: 122235821
Account No: 165718030183

Credit Account name: Fidelity National Title Company

ORDER NUMBERS MUST BE REFERENCED ON ALL WIRING

EXHIBIT 1, Page 33

END OF NOTES

1. Order #:

Attn:

With regard to our _____
Bank-Lender Equity Line/Credit Line

Currently held by _____
Bank/Lender (Beneficiary)

Account # _____, we hereby certify that:

- 1) I/We have not drawn checks on this account since _____
- 2) The last check has cleared # _____ and that there are no other outstanding checks on the account.
- 3) I/We have destroyed or have given escrow all remaining checks on this account (check #'s _____ through _____).
- 4) I/We hereby Indemnify and hold Fidelity National Title Insurance Company harmless from any and all claims or losses incurred by reason of releasing the hold on said demand, from any outstanding checks that come in after the payoff.

Freeze and Close Account

I further authorize and instruct the beneficiary of the trust deed of record, as referred to above, to immediately freeze the above-mentioned account upon receipt of this letter and close this account upon receipt of payment in full of said equity line-credit line, as a result of this transaction.

Owner/Borrower Date

Owner/Borrower Date

ATTACHMENT ONE

AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - land use
 - improvements on the land
 - land division
 - environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at policy date.

This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:
 - a notice of exercising the right appears in the public records on the Policy Date
 - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowledge of the taking

In addition to the Exclusions, you are not insured against loss, costs, attorneys' fees, and the expenses resulting from:

1. Any rights, interests, or claims of parties in possession of the land not shown by the public records.
2. Any easements or liens not shown by the public records. This does not limit the lien coverage in Item 8 of Covered Title Risks.

3. Title Risks:

that are created, allowed, or agreed to by you that are known to you, but not to us, on the Policy Date-unless they appeared in the public records that result in no loss to you that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks

4. Failure to pay value for your title.

5. Lack of a right:

to any land outside the area specifically described and referred to in Item 3 of Schedule A

or

in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This does not limit the forced removal coverage in Item 12 of Covered Title Risks.
4. Any water rights or claims or title to water in or under the land, whether or not shown by the public records.

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
- (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
- (c) resulting in no loss or damage to the insured claimant;
- (d) attaching or created subsequent to Date of Policy; or
- (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

SCHEDULE B, PART I
EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

PART I

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

**AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)
WITH A.L.T.A. ENDORSEMENT-FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy. (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent

insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or

- (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
 - (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to land, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**2006 AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

(c) resulting in no loss or damage to the Insured Claimant;

(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or

(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

**AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
(a) created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy, or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
(i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
(ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
(a) to timely record the instrument of transfer; or
(b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**2006 AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;

(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

(c) resulting in no loss or damage to the Insured Claimant;

(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or

(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.

4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
 - a. building
 - b. zoning
 - c. Land use
 - d. improvements on Land
 - e. Land division
 - f. environmental protection

This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.

This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
 - a. notice of exercising the right appears in the Public Records at the Policy Date; or
 - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 14:	1.00% of Policy Amount or \$ 2,500.00 (Whichever is less)	\$ 10,000.00
Covered Risk 15:	1.00% of Policy Amount or \$ 5,000.00 (Whichever is less)	\$ 25,000.00
Covered Risk 16:	1.00% of Policy Amount or \$ 5,000.00 (Whichever is less)	\$ 25,000.00
Covered Risk 18:	1.00% of Policy Amount or \$ 2,500.00 (Whichever is less)	\$ 5,000.00

EXHIBIT 1, Page 41

ATTACHMENT ONE
(CONTINUED)

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvements now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or
 - (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:
 - (a) The time of the advance; or
 - (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

Notice

You may be entitled to receive a \$20.00 discount on escrow services if you purchased, sold or refinanced residential property in California between May 19, 1995 and November 1, 2002. If you had more than one qualifying transaction, you may be entitled to multiple discounts.

If your previous transaction involved the same property that is the subject of your current transaction, you do not have to do anything; the Company will provide the discount, provided you are paying for escrow or title services in this transaction.

If your previous transaction involved property different from the property that is the subject of your current transaction, you must - prior to the close of the current transaction - inform the Company of the earlier transaction, provide the address of the property involved in the previous transaction, and the date or approximate date that the escrow closed to be eligible for the discount.

Unless you inform the Company of the prior transaction on property that is not the subject of this transaction, the Company has no obligation to conduct an investigation to determine if you qualify for a discount. If you provide the Company information concerning a prior transaction, the Company is required to determine if you qualify for a discount which is subject to other terms and conditions.

Effective through November 1, 2014

Effective Date: 5/1/2008

Fidelity National Financial, Inc.
Privacy Statement

Fidelity National Financial, Inc. and its subsidiaries ("FNF") respect the privacy and security of your non-public personal information ("Personal Information") and protecting your Personal Information is one of our top priorities. This Privacy Statement explains FNF's privacy practices, including how we use the Personal Information we receive from you and from other specified sources, and to whom it may be disclosed. FNF follows the privacy practices described in this Privacy Statement and, depending on the business performed, FNF companies may share information as described herein.

Personal Information Collected

We may collect Personal Information about you from the following sources:

- Information we receive from you on applications or other forms, such as your name, address, social security number, tax identification number, asset information, and income information;
- Information we receive from you through our Internet websites, such as your name, address, email address, Internet Protocol address, the website links you used to get to our websites, and your activity while using or reviewing our websites;
- Information about your transactions with or services performed by us, our affiliates, or others, such as information concerning your policy, premiums, payment history, information about your home or other real property, information from lenders and other third parties involved in such transaction, account balances, and credit card information; and
- Information we receive from consumer or other reporting agencies and publicly recorded documents.

Disclosure of Personal Information

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To insurance agents, brokers, representatives, support organizations, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers for the purpose of determining your eligibility for an insurance benefit or payment and/or providing you with services you have requested;
- To an insurance regulatory authority, or a law enforcement or other governmental authority, in a civil action, in connection with a subpoena or a governmental investigation;
- To companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

We may also disclose your Personal Information to others when we believe, in good faith, that such disclosure is reasonably necessary to comply with the law or to protect the safety of our customers, employees, or property and/or to comply with a judicial proceeding, court order or legal process.

Effective Date: 5/1/2008

Disclosure to Affiliated Companies - We are permitted by law to share your name, address and facts about your transaction with other FNF companies, such as insurance companies, agents, and other real estate service providers to provide you with services you have requested, for marketing or product development research, or to market products or services to you. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

Disclosure to Nonaffiliated Third Parties - We do not disclose Personal Information about our customers or former customers to nonaffiliated third parties, except as outlined herein or as otherwise permitted by law.

Confidentiality and Security of Personal Information

We restrict access to Personal Information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard Personal Information.

Access To Personal Information/

Requests for Correction, Amendment, or Deletion of Personal Information

As required by applicable law, we will afford you the right to access your Personal Information, under certain circumstances to find out to whom your Personal Information has been disclosed, and request correction or deletion of your Personal Information. However, FNF's current policy is to maintain customers' Personal Information for no less than your state's required record retention requirements for the purpose of handling future coverage claims.

For your protection, all requests made under this section must be in writing and must include your notarized signature to establish your identity. Where permitted by law, we may charge a reasonable fee to cover the costs incurred in responding to such requests. Please send requests to:

Chief Privacy Officer
Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, FL 32204

Changes to this Privacy Statement

This Privacy Statement may be amended from time to time consistent with applicable privacy laws. When we amend this Privacy Statement, we will post a notice of such changes on our website. The effective date of this Privacy Statement, as stated above, indicates the last time this Privacy Statement was revised or materially changed.

EXHIBIT 2

Purchase Agreement



CALIFORNIA
ASSOCIATION
OF REALTORS®

COUNTER OFFER No. 2

For use by Seller or Buyer. May be used for Multiple Counter Offer.
(C.A.R. Form CO, Revised 10/04)

Date October 23, 2009 at Irvine, California
This is a counter offer to the: ☐ California Residential Purchase Agreement, ☒ Counter Offer, or ☐ Other (Offer)
dated October 23, 2009, on property known as 4827 Tiffany Ln (Property),
between Lina Mallat, Kameel H Andrawos (Buyer) and (Seller)

1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
- A Paragraphs in the Offer that require initials by all parties, but are not initiated by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer.
 - B Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
 - C 1) Sales price to be \$1,700,000.

D The following attached supplements are incorporated into this Counter Offer: ☐ Addendum No. _____

2. RIGHT TO ACCEPT OTHER OFFERS: Seller has the right to continue to offer the Property for sale or for other transaction, and to accept any other offer at any time prior to notification of acceptance, as described in paragraph 3. If this is a Seller Counter Offer, Seller's acceptance of another offer prior to Buyer's acceptance and communication of notification of this Counter Offer, shall revoke this Counter Offer.
3. EXPIRATION: This Counter Offer shall be deemed revoked and the deposits, if any, shall be returned unless this Counter Offer is signed by the Buyer or Seller to whom it is sent and a Copy of the signed Counter Offer is personally received by the person making this Counter Offer or

who is authorized to receive it, by 5:00 PM on the third Day after this Counter Offer is made or, (if checked) by ☒ October 23, 2009 (date), at ☐ AM ☐ PM. This Counter Offer may be executed in counterparts.

4. ☒ (If checked:) MULTIPLE COUNTER OFFER: Seller is making a Counter Offer(s) to another prospective buyer(s) on terms that may or may not be the same as in this Counter Offer. Acceptance of this Counter Offer by Buyer shall not be binding unless and until it is subsequently signed by Seller in paragraph 7 below and a Copy of the Counter Offer Signed in paragraph 7 is personally received by Buyer or by _____, who is authorized to receive it, by 5:00 PM (date), at ☐ AM ☐ PM. Prior to the completion of all of these events, Buyer and Seller shall have no duties or obligations for the purchase or sale of the Property.

5. OFFER: ☒ BUYER OR ☐ SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.
Date 10/23/09
Signature Kameel Andrawos Date 10/23/09

6. ACCEPTANCE: I/WE accept the above Counter Offer (if checked ☐ SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a copy of this Counter Offer.
Date _____ Time _____ ☐ AM ☐ PM
Date _____ Time _____ ☐ AM ☐ PM
Signature Lina Mallat

7. MULTIPLE COUNTER OFFER SIGNATURE LINE: By signing below, Seller accepts this Multiple Counter Offer. (Paragraph 7 applies only if paragraph 4 is checked.)
NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 6. (Paragraph 7 applies only if paragraph 4 is checked.)
Date _____ Time _____ ☐ AM ☐ PM
Date _____ Time _____ ☐ AM ☐ PM

8. (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by the maker of the Counter Offer or that person's authorized agent as specified in paragraph 3 (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent as specified in paragraph 4) on (date) 10/23/09, at 5 ☐ AM ☒ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by the the maker of the Counter Offer, or that person's authorized agent (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent) whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

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Reviewed by _____ Date _____
Broker or Designee



CO REVISION: 10/04 (PAGE 1 OF 1)

COUNTER OFFER (CO PAGE 1 OF 1)

Agent: Pat Velasquez
Broker: Advance Realty

Phone: (714) 647-9844
1811 E 4th St Ste 100 Santa Ana CA 92701

Fax: (714) 647-9843
CA 92701

Prepared using WINForms® software

EXHIBIT 2, Page 46



CALIFORNIA
ASSOCIATION
OF REALTORS®

COUNTER OFFER No. 1

For use by Seller or Buyer. May be used for Multiple Counter Offer.
(C.A.R. Form CO, Revised 10/04)

Date October 22, 2009 at Yorba Linda, California.
This is a counter offer to the: ☒ California Residential Purchase Agreement, ☐ Counter Offer, or ☐ Other ("Offer").
dated October 20, 2009, on property known as 4827 Tiffany Lane ("Property").
between Lina Mallat, Kameel Andravos ("Buyer") and
Anthony Giangrande, Kathleen Giangrande ("Seller").

1. **TERMS:** The terms and conditions of the above referenced document are accepted subject to the following:
- Paragraphs in the Offer that require initials by all parties, but are not initiated by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer.
 - Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
 - 1) Sale Price to be \$1,750,000. 2) COE to be 45 days. 3) Buyer acknowledges that final approval of the purchase contract must be Court approved & should be completed within 30 days of acceptance, however time periods will begin upon acceptance & will be removed within 17 days, prior to court approval. 4) Buyer accepts the property in as-is condition & acknowledges that NO repairs will be made by seller. 5) Seller will provide a termite inspection report only, Section 1 & 2 repairs to be made by Buyer. 6) Buyer to pay for home warranty.

2. The following attached supplements are incorporated into this Counter Offer: ☐ Addendum No. _____
3. **RIGHT TO ACCEPT OTHER OFFERS:** Seller has the right to continue to offer the Property for sale or for other transaction, and to accept any other offer at any time prior to notification of acceptance, as described in paragraph 3. If this is a Seller Counter Offer, Seller's acceptance of another offer prior to Buyer's acceptance and communication of notification of this Counter Offer, shall revoke this Counter Offer.

4. **EXPIRATION:** This Counter Offer shall be deemed revoked and the deposits, if any, shall be returned unless this Counter Offer is signed by the Buyer or Seller to whom it is sent and a Copy of the signed Counter Offer is personally received by the person making this Counter Offer or Julie L. Lent

who is authorized to receive it, by 5:00 PM on the third Day After this Counter Offer is made or, (if checked) by ☐ (date), at ☐ AM ☐ PM. This Counter Offer may be executed in counterparts.

4. ☒ (If checked:) **MULTIPLE COUNTER OFFER:** Seller is making a Counter Offer(s) to another prospective buyer(s) on terms that may or may not be the same as in this Counter Offer. Acceptance of this Counter Offer by Buyer shall not be binding unless and until it is subsequently re-Signed by Seller in paragraph 7 below and a Copy of the Counter Offer Signed in paragraph 7 is personally received by Buyer or by Julie L. Lent, who is authorized to receive it, by 5:00 PM on the third Day after this Counter Offer is made or, (if checked) by ☐ (date), at ☐ AM ☐ PM. Prior to the completion of all of these events, Buyer and Seller shall have no duties or obligations for the purchase or sale of the Property.

5. **OFFER 2: BUYER OR ☒ SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.**
Date October 22, 2009
Date October 22, 2009

6. **ACCEPTANCE:** I/WE accept the above Counter Offer (If checked) ☒ **SUBJECT TO THE ATTACHED COUNTER OFFER** and acknowledge receipt of a Copy.
Date 10/23/09 Time ☐ AM ☐ PM
Date 10/23/09 Time ☐ AM ☐ PM

7. **MULTIPLE COUNTER OFFER SIGNATURE LINE:** By signing below, Seller accepts this Multiple Counter Offer.
NOTE TO SELLER: Do NOT sign in this box until after Buyer signs in paragraph 6. (Paragraph 7 applies only if paragraph 4 is checked.)
Date _____ Time ☐ AM ☐ PM
Date _____ Time ☐ AM ☐ PM

8. **Confirmation of Acceptance:** A Copy of Signed Acceptance was personally received by the maker of the Counter Offer, or that person's authorized agent as specified in paragraph 3 (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent as specified in paragraph 4) on (date) 10/22/09, at 5:00 ☐ AM ☒ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by the maker of the Counter Offer, or that person's authorized agent (or, if this is a Multiple Counter Offer, the Buyer or Buyer's authorized agent) whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

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Reviewed by _____ Date _____



CO REVISED 10/04 (PAGE 1 OF 1)

COUNTER OFFER (CO PAGE 1 OF 1)

Agent: Julie Lent Phone: (714) 749-0619 Fax: (714) 893-0184 Prepared using WINForms® software
Broker: ReMax Realty Centre 20459 Yorba Linda Blvd. Yorba Linda, CA 92686

EXHIBIT 2, Page 47



CALIFORNIA
ASSOCIATION
OF REALTORS®

**CALIFORNIA
RESIDENTIAL PURCHASE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

For Use With Single Family Residential Property — Attached or Detached
(C.A.R. Form RPA-CA, Revised 11/07)

Date October 20, 2009, at Irvine, California.

1. OFFER: A. THIS IS AN OFFER FROM Lina Mallat, Kameel F Andrews ("Buyer").

B. THE REAL PROPERTY TO BE ACQUIRED is described as 4827 Tiffany Ln, Yorba Linda CA
Assessor's Parcel No. 323-421-16, situated in
Yorba Linda, County of Orange, California, ("Property").

C. THE PURCHASE PRICE offered is One Million Seven Hundred Thousand
Dollars \$ 1,700,000.00
(date) (or ☒ 40 Days After Acceptance).

D. CLOSING OF ESCROW shall occur on _____
2. FINANCE TERMS: Obtaining the loans below is a contingency of this Agreement unless: (I) either 2K or 2L is checked below; or (II) otherwise agreed in writing. Buyer shall act diligently and in good faith to obtain the designated loans. Obtaining deposit, down payment and closing costs is not a contingency. Buyer represents that funds will be good when deposited with Escrow Holder.

A. INITIAL DEPOSIT: Buyer has given a deposit in the amount of \$ 15,000.00
to the agent submitting the offer (or to ☐ _____), by personal check
(or ☐ _____), made payable to Seller's choice of escrow
which shall be held uncashed until Acceptance and then deposited within 3 business days after Acceptance
(or ☐ _____), with
Escrow Holder, (or ☐ into Broker's trust account).

B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ _____
within _____ Days After Acceptance, or ☐ _____ \$ 975,000.00

C. FIRST LOAN IN THE AMOUNT OF \$ _____
(1) NEW First Deed of Trust in favor of lender, encumbering the Property, securing a note payable at maximum
interest of 5.500 % fixed rate, or _____ % initial adjustable rate with a maximum interest rate
of _____ %, balance due in _____ years, amortized over _____ years. Buyer shall
pay loan fees/points not to exceed _____. (These terms apply whether the designated loan
is conventional, FHA or VA.)

(2) ☐ FHA ☐ VA: (The following terms only apply to the FHA or VA loan that is checked.)
Seller shall pay _____ % discount points. Seller shall pay other fees not allowed to be paid by Buyer,
☐ not to exceed \$ _____. Seller shall pay the cost of lender required Repairs (including
those for wood destroying pest) not otherwise provided for in this Agreement, ☐ not to exceed
\$ _____. (Actual loan amount may increase if mortgage insurance premiums, funding
fees or closing costs are financed.)

D. ADDITIONAL FINANCING TERMS: ☐ Seller financing, (C.A.R. Form SFA); ☐ secondary financing, _____ \$
(C.A.R. Form PAA, paragraph 4A); ☐ assumed financing (C.A.R. Form PAA, paragraph 4B)

E. BALANCE OF PURCHASE PRICE (not including costs of obtaining loans and other closing costs) in the amount of \$ 710,000.00
to be deposited with Escrow Holder within sufficient time to close escrow.

F. PURCHASE PRICE (TOTAL): \$ 1,700,000.00

G. LOAN APPLICATIONS: Within 7 (or ☐ _____) Days After Acceptance, Buyer shall provide Seller a letter from lender or mortgage loan
broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for the NEW loan
specified in 2C above.

H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to 2G) shall, within
7 (or ☐ _____) Days After Acceptance, provide Seller written verification of Buyer's down payment and closing costs.

I. LOAN CONTINGENCY REMOVAL: (I) Within 17 (or ☐ _____) Days After Acceptance, Buyer shall, as specified in paragraph 14, remove
the loan contingency or cancel this Agreement; OR (II) (if checked) ☒ the loan contingency shall remain in effect until the designated loans are
funded.

J. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (OR, if checked, ☐ is NOT) contingent upon the Property appraising at no
less than the specified purchase price. If there is a loan contingency, at the time the loan contingency is removed (or, if checked, ☐ within 17 (or
_____) Days After Acceptance), Buyer shall, as specified in paragraph 14B(3), remove the appraisal contingency or cancel this Agreement.
If there is no loan contingency, Buyer shall, as specified in paragraph 14B(3), remove the appraisal contingency within 17 (or _____) Days
After Acceptance.

K. ☐ NO LOAN CONTINGENCY (if checked): Obtaining any loan in paragraphs 2C, 2D or elsewhere in this Agreement is NOT a contingency of this
Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or
other legal remedies.

L. ☐ ALL CASH OFFER (if checked): No loan is needed to purchase the Property. Buyer shall, within 7 (or ☐ _____) Days After Acceptance,
provide Seller written verification of sufficient funds to close this transaction.

3. CLOSING AND OCCUPANCY:

A. Buyer intends (or ☐ does not intend) to occupy the Property as Buyer's primary residence.

B. Seller-occupied or vacant property: Occupancy shall be delivered to Buyer at 4:00 ☐ AM ☒ PM, ☐ on the date of Close Of Escrow;
☐ on _____; or ☒ no later than 3 Days After Close Of Escrow. (C.A.R. Form PAA, paragraph 2.) If transfer of title and
occupancy do not occur at the same time, Buyer and Seller are advised to: (i) enter into a written occupancy agreement and (ii) consult with their
insurance and legal advisors.

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RPA-CA REVISED 11/07 (PAGE 1 OF 8)

Buyer's Initials: [Signature]
Seller's Initials: [Signature]

Reviewed by _____ Date _____



Phone: (714) 647-9844 Fax: (714) 647-9843

Prepared using WINForms® software

Agent: Pat Velasquez
Broker: Alyance Realty

1611 E 4th St Ste 800

CA 92701

EXHIBIT 2, Page 48

4827 Tiffany Ln
Property Address: Yorba Linda, CA

Date: October 20, 2009

- C. Tenant-occupied property: (I) Property shall be vacant at least 5 (or ☐) Days Prior to Close Of Escrow, unless otherwise agreed in writing. Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.
- OR (II) (If checked) ☐ Tenant to remain in possession. The attached addendum is incorporated into this Agreement (C.A.R. Form PMA, paragraph 3.);
- OR (III) (If checked) ☐ This Agreement is contingent upon Buyer and Seller entering into a written agreement regarding occupancy of the Property within the time specified in paragraph 14B(1). If no written agreement is reached within this time, either Buyer or Seller may cancel this Agreement in writing.
- D. At Close Of Escrow, Seller assigns to Buyer any assignable warranty rights for items included in the sale and shall provide any available Copies of such warranties. Brokers cannot and will not determine the assignability of any warranties.
- E. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys and/or means to operate all locks, mailboxes, security systems, alarm and garage door openers. If Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.
4. ALLOCATION OF COSTS (If checked); Unless otherwise specified here, this paragraph only determines who is to pay for the report, inspection, test or service mentioned. If not specified here or elsewhere in this Agreement, the determination of who is to pay for any work recommended or identified by any such report, inspection, test or service shall be by the method specified in paragraph 14B(2).

A. WOOD DESTROYING PEST INSPECTION:

- (1) ☐ Buyer ☒ Seller shall pay for an inspection and report for wood destroying pests and organisms ("Report") which shall be prepared by any reliable company, a registered structural pest control company. The Report shall cover the accessible areas of the main building and attached structures and, if checked: ☐ detached garages and carports, ☐ detached decks, ☐ the following other structures or areas _____.

The Report shall not include roof coverings. If Property is a condominium or located in a common interest subdivision, the Report shall include only the separate interest and any exclusive-use areas being transferred and shall not include common areas, unless otherwise agreed. Water tests of shower pans on upper level units may not be performed without consent of the owners of property below the shower.

- OR (2) ☒ (If checked) The attached addendum (C.A.R. Form WPA) regarding wood destroying pest inspection and allocation of cost is incorporated into this Agreement.

B. OTHER INSPECTIONS AND REPORTS:

- (1) ☐ Buyer ☐ Seller shall pay to have septic or private sewage disposal systems inspected _____.
- (2) ☐ Buyer ☐ Seller shall pay to have domestic wells tested for water potability and productivity _____.
- (3) ☐ Buyer ☒ Seller shall pay for a natural hazard zone disclosure report prepared by _____.
- (4) ☐ Buyer ☐ Seller shall pay for the following inspection or report _____.
- (5) ☐ Buyer ☐ Seller shall pay for the following inspection or report _____.

C. GOVERNMENT REQUIREMENTS AND RETROFIT:

- (1) ☐ Buyer ☒ Seller shall pay for smoke detector installation and/or water heater bracing, if required by Law. Prior to Close Of Escrow, Seller shall provide Buyer a written statement of compliance in accordance with state and local Law, unless exempt.
- (2) ☐ Buyer ☐ Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards, inspections and reports if required as a condition of closing escrow under any Law. _____.

D. ESCROW AND TITLE:

- (1) ☒ Buyer ☒ Seller shall pay escrow fee Each pay their own. Escrow Holder shall be Seller's choice of escrow.
- (2) ☐ Buyer ☒ Seller shall pay for owner's title insurance policy specified in paragraph 12E. Owner's title policy to be issued by Seller's choice. (Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

E. OTHER COSTS:

- (1) ☐ Buyer ☒ Seller shall pay County transfer tax or transfer fee _____.
- (2) ☐ Buyer ☒ Seller shall pay City transfer tax or transfer fee _____.
- (3) ☐ Buyer ☐ Seller shall pay HOA transfer fee _____.
- (4) ☐ Buyer ☐ Seller shall pay HOA document preparation fees _____.
- (5) ☐ Buyer ☒ Seller shall pay the cost, not to exceed \$ 500.00, of a one-year home warranty plan, issued by Buyer's choice with the following optional coverage: _____.
- (6) ☐ Buyer ☐ Seller shall pay for _____.
- (7) ☐ Buyer ☐ Seller shall pay for _____.

6. STATUTORY DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:

- A. (1) Seller shall, within the time specified in paragraph 14A, deliver to Buyer, if required by Law: (i) Federal Lead-Based Paint Disclosures and pamphlet ("Lead Disclosures"); and (ii) disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the California Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or Hazard Disclosure Statement ("HDS"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act and Improvement Bond Act of 1915) and, if Seller has actual knowledge, an industrial use and military ordinance location disclosure (C.A.R. Form SSD).
- (2) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory and Lead Disclosures to Seller.
- (3) In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.

Buyer's Initials ()
Seller's Initials ()

Reviewed by _____ Date _____



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- (4) If any disclosure or notice specified in 5A(1), or subsequent or amended disclosure or notice is delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After delivery in person, or 5 Days After delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent. (Lead Disclosures sent by mail must be sent certified mail or better.)
- (5) Note to Buyer and Seller: Waiver of Statutory and Lead Disclosures is prohibited by Law.
- B. **NATURAL AND ENVIRONMENTAL HAZARDS:** Within the time specified in paragraph 14A, Seller shall, if required by Law; (i) deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; (ii) even if exempt from the obligation to provide a NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
- C. **MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)
6. **CONDOMINIUM/PLANNED UNIT DEVELOPMENT DISCLOSURES:**
- A. **SELLER HAS:** 7 (or ☐ _____) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned unit development or other common interest subdivision (C.A.R. Form SSD).
- B. If the Property is a condominium or is located in a planned unit development or other common interest subdivision, Seller has 3 (or ☐ _____) Days After Acceptance to request from the HOA (C.A.R. Form HOA): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14B(3).
7. **CONDITIONS AFFECTING PROPERTY:**
- A. Unless otherwise agreed: (i) the Property is sold (a) in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.
- B. **SELLER SHALL**, within the time specified in paragraph 14A, **DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS** affecting the Property, including known insurance claims within the past five years, **AND MAKE OTHER DISCLOSURES REQUIRED BY LAW** (C.A.R. Form SSD).
- C. **NOTE TO BUYER:** You are strongly advised to conduct investigations of the entire Property in order to determine its present condition since Seller may not be aware of all defects affecting the Property or other factors that you consider important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.
- D. **NOTE TO SELLER:** Buyer has the right to inspect the Property and, as specified in paragraph 14B, based upon information discovered in those inspections: (i) cancel this Agreement; or (ii) request that you make Repairs or take other action.
8. **ITEMS INCLUDED AND EXCLUDED:**
- A. **NOTE TO BUYER AND SELLER:** Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in 8B or C.
- B. **ITEMS INCLUDED IN SALE:**
- (1) All EXISTING fixtures and fittings that are attached to the Property;
- (2) Existing electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, private integrated telephone systems, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water softeners, water purifiers, security systems/alarms; and
- (3) The following items: stove and refrigerator
- (4) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.
- (5) All items included shall be transferred free of liens and without Seller warranty.
- C. **ITEMS EXCLUDED FROM SALE:**
9. **BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**
- A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 14B. Within the time specified in paragraph 14B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.
- B. Buyer shall complete Buyer Investigations and, as specified in paragraph 14B, remove the contingency or cancel this Agreement. Buyer shall give Seller, at no cost, complete Copies of all Buyer Investigation reports obtained by Buyer. Seller shall make the Property available for all Buyer Investigations. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's investigations and through the date possession is made available to Buyer.

Buyer's Initials (LA) (KA)
Seller's Initials (JA) (JE)

Reviewed by _____ Date _____



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- D. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES: If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in a separate written agreement between Buyer and Seller, Buyer shall conclusively be deemed to have: (i) completed all Buyer investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for repairs or corrections pertaining to that contingency or cancellation right, or for inability to obtain financing.
- E. EFFECT OF CANCELLATION ON DEPOSITS: If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, Buyer and Seller agree to Sign mutual instructions to cancel the sale and escrow and release deposits to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Release of funds will require mutual Signed release instructions from Buyer and Seller, judicial decision or arbitration award. A party may be subject to a civil penalty of up to \$1,000 for refusal to sign such instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1067.3).
15. FINAL VERIFICATION OF CONDITION: Buyer shall have the right to make a final inspection of the Property within 5 (or _____) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 7A; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement.
16. LIQUIDATED DAMAGES: If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award.
- BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION FOR ANY INCREASED DEPOSIT. (C.A.R. FORM RID)
- Buyer's Initials LM, XO Seller's Initials LO, XO

17. DISPUTE RESOLUTION:

- A. MEDIATION: Buyer and Seller agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. Paragraphs 17B(2) and (3) below apply to mediation whether or not the Arbitration provision is initialed. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.
- B. ARBITRATION OF DISPUTES: (1) Buyer and Seller agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraphs 17B(2) and (3) below. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. The parties shall have the right to discovery in accordance with California Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part III of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Interpretation of this agreement to arbitrate shall be governed by the Federal Arbitration Act.
- (2) EXCLUSIONS FROM MEDIATION AND ARBITRATION: The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in California Civil Code §2986; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver of the mediation and arbitration provisions.
- (3) BROKERS: Buyer and Seller agree to mediate and arbitrate disputes or claims involving either or both Brokers, consistent with 17A and B, provided either or both Brokers shall have agreed to such mediation or arbitration prior to, or within a reasonable time after, the dispute or claim is presented to Brokers. Any election by either or both Brokers to participate in mediation or arbitration shall not result in Brokers being deemed parties to the Agreement.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials LM, XO Seller's Initials LO, XO

Buyer's Initials (LO, XO) Seller's Initials (LO, XO)

Reviewed by _____ Date _____



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18. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental (six bills) shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller. TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.
19. **WITHHOLDING TAXES:** Seller and Buyer agree to execute any instrument, affidavit, statement or instruction reasonably necessary to comply with federal (FIRPTA) and California withholding Law, if required (C.A.R. Forms AS and AB).
20. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the terms of this transaction to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
21. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
22. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 17A.
23. **SELECTION OF SERVICE PROVIDERS:** If Brokers refer Buyer or Seller to persons, vendors, or service or product providers ("Providers"). Brokers do not guarantee the performance of any Providers. Buyer and Seller may select ANY Providers of their own choosing.
24. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.
25. **OTHER TERMS AND CONDITIONS,** including attached supplements:
- A. ☒ Buyer's Inspection Advisory (C.A.R. Form BIA)
 - B. ☐ Purchase Agreement Addendum (C.A.R. Form PAA paragraph numbers: _____)
 - C. ☒ Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
 - D. ☒ Seller shall provide Buyer with a completed Seller Property Questionnaire (C.A.R. form SPO) within the time specified in paragraph 14A
 - E. Addendum 1 (one)
26. **DEFINITIONS:** As used in this Agreement:
- A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a party and is delivered to and personally received by the other party or that party's authorized agent in accordance with the terms of this offer or a final counter offer.
 - B. "Agreement" means the terms and conditions of this accepted California Residential Purchase Agreement and any accepted counter offers and addenda.
 - C. "C.A.R. Form" means the specific form referenced or another comparable form agreed to by the parties.
 - D. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded. If the scheduled close of escrow falls on a Saturday, Sunday or legal holiday, then close of escrow shall be the next business day after the scheduled close of escrow date.
 - E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
 - F. "Days" means calendar days, unless otherwise required by Law.
 - G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59PM on the final day.
 - H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
 - I. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other.
 - J. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
 - K. "Notice to Buyer to Perform" means a document (C.A.R. Form NBP), which shall be in writing and Signed by Seller and shall give Buyer at least 24 hours (or as otherwise specified in paragraph 14C(4)) to remove a contingency or perform as applicable.
 - L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
 - M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
 - N. Singular and Plural terms each include the other, when appropriate.



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27. AGENCY:

- A. **DISCLOSURE:** Buyer and Seller each acknowledge prior receipt of C.A.R. Form AD "Disclosure Regarding Real Estate Agency Relationships."
- B. **POTENTIALLY COMPETING BUYERS AND SELLERS:** Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer-broker agreement or separate document (C.A.R. Form DA). Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties of interest to this Buyer.
- C. **CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction:
Listing Agent Remax Realty Centre (Print Firm Name) is the agent of (check one): ☒ the Seller exclusively; or ☐ both the Buyer and Seller.
Selling Agent Advance Realty (Print Firm Name) (if not same as Listing Agent) is the agent of (check one): ☒ the Buyer exclusively; or ☐ the Seller exclusively; or ☐ both the Buyer and Seller. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.

28. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:

- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: 1, 2, 4, 12, 13B, 14E, 18, 19, 24, 25B and 25E, 26, 28, 29, 32A, 33 and paragraph D of the section titled Real Estate Brokers on page 8. If a Copy of the separate compensation agreement(s) provided for in paragraph 29 or 32A, or paragraph D of the section titled Real Estate Brokers on page 8 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provisions upon Escrow Holder's request. To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow.
- B. A Copy of this Agreement shall be delivered to Escrow Holder within 3 business days after Acceptance (or ☐). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement.
- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraphs 29, 32A and paragraph D of the section titled Real Estate Brokers on page 8. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraphs 29 and 32A, respectively, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Escrow Holder shall immediately notify Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
- D. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 2 business days after mutual execution of the amendment.
29. **BROKER COMPENSATION FROM BUYER:** If applicable, upon Close Of Escrow, Buyer agrees to pay compensation to Broker as specified in a separate written agreement between Buyer and Broker.
30. **TERMS AND CONDITIONS OF OFFER:**

This is an offer to purchase the Property on the above terms and conditions. All paragraphs with spaces for initials by Buyer and Seller are incorporated in this Agreement only if initialed by all parties. If at least one but not all parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the above confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.

Buyer's Initials (LM) (KA)
Seller's Initials (LM) (KA)

Reviewed by _____ Date _____



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31. EXPIRATION OF OFFER: This offer shall be deemed revoked and the deposit shall be returned unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by Pat Garcia-Velasquez, who is authorized to receive it by 5:00 PM on the third Day after this offer is signed by Buyer (or, if checked, ☐ by (date), at ☐ AM ☐ PM).

Date _____
BUYER [Signature]
Lina Mallat
(Print name)

Date _____
BUYER [Signature]
Kameel B Andrawos
(Print name)

(Address)

32. BROKER (COMPENSATION FROM SELLER):

- A. Upon Close Of Escrow, Seller agrees to pay compensation to Broker as specified in a separate written agreement between Seller and Broker.
B. If escrow does not close, compensation is payable as specified in that separate written agreement.

33. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to deliver a Signed Copy to Buyer.

☒ (If checked) SUBJECT TO ATTACHED COUNTER OFFER, DATED 10/23/09

Date _____
SELLER [Signature]
(Print name)

Date _____
SELLER [Signature]
(Print name)

(Address)

(/) agent on (date) _____ at _____ ☐ AM ☐ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

REAL ESTATE BROKERS:

- A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
B. Agency relationships are confirmed as stated in paragraph 27.
C. If specified in paragraph 2A, Agent who submitted the offer for Buyer acknowledges receipt of deposit.
D. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow: (I) the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS; or (II) ☐ (if checked) the amount specified in a separate written agreement (C.A.F. Form CBC) between Listing Broker and Cooperating Broker.

Real Estate Broker (Selling Firm) Advance Realty DRE Lic. # 01103073
By Pat Garcia-Velasquez DRE Lic. # 01032273 Date October 19, 2009
Address 1611 E. Fourth St. Suite 100 City Santa Ana State Ca Zip 92701
Telephone (714) 647-9844 Fax (714) 647-9843 E-mail pat@pvelasquez.com

Real Estate Broker (Listing Firm) Banker's Real Estate Centre License # _____
By [Signature] Julie Lent License # 0090554 Date 10/23/09
Address 2159 W. Main St. City Yorba Linda State Ca Zip 92806
Telephone (714) 777-5112 Fax _____ E-mail _____

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, ☐ a deposit in the amount of \$ _____), counter offer numbers _____ and _____, and agrees to act as Escrow Holder subject to paragraph 28 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is _____.

Escrow Holder Seller's choice of escrow Escrow # _____

By _____ Date _____

Address _____

Phone/Fax/E-mail 11

Escrow Holder is licensed by the California Department of ☐ Corporations, ☐ Insurance, ☐ Real Estate. License # _____

(/) REJECTION OF OFFER: No counter offer is being made. This offer was reviewed and rejected by Seller on (Seller's Initials) _____ (Date) _____

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS, IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.
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RPA-CA REVISED 11/07 (PAGE 8 OF 8)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 8 OF 8)

EXHIBIT 2, Page 55

Reviewed by _____ Date _____



4827 Tiffany Ln



CALIFORNIA
ASSOCIATION
OF REALTORS®

BUYER'S INSPECTION ADVISORY

(C.A.R. Form BIA-A, Revised 10/02)

Property Address: 4627 Tiffany Ln, Yorba Linda CA ("Property").

A. IMPORTANCE OF PROPERTY INVESTIGATION: The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. For this reason, you should conduct thorough investigations of the Property personally and with professionals who should provide written reports of their investigations. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.

B. BUYER RIGHTS AND DUTIES: You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. The purchase agreement gives you the right to investigate the Property. If you exercise this right, and you should, you must do so in accordance with the terms of that agreement. This is the best way for you to protect yourself. It is extremely important for you to read all written reports provided by professionals and to discuss the results of inspections with the professional who conducted the inspection. You have the right to request that Seller make repairs, corrections or take other action based upon items discovered in your investigations or disclosed by Seller. If Seller is unwilling or unable to satisfy your requests, or you do not want to purchase the Property in its disclosed and discovered condition, you have the right to cancel the agreement if you act within specific time periods. If you do not cancel the agreement in a timely and proper manner, you may be in breach of contract.

C. SELLER RIGHTS AND DUTIES: Seller is required to disclose to you material facts known to him/her that affect the value or desirability of the Property. However, Seller may not be aware of some Property defects or conditions. Seller does not have an obligation to inspect the Property for your benefit nor is Seller obligated to repair, correct or otherwise cure known defects that are disclosed to you or previously unknown defects that are discovered by you or your inspectors during escrow. The purchase agreement obligates Seller to make the Property available to you for investigations.

D. BROKER OBLIGATIONS: Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as soil stability, geologic or environmental conditions, hazardous or illegal controlled substances, structural conditions of the foundation or other improvements, or the condition of the roof, plumbing, heating, air conditioning, electrical, sewer, septic, waste disposal, or other system. The only way to accurately determine the condition of the Property is through an inspection by an appropriate professional selected by you. If Broker gives you referrals to such professionals, Broker does not guarantee their performance. You may select any professional of your choosing. In sales involving residential dwellings with no more than four units, Brokers have a duty to make a diligent visual inspection of the accessible areas of the Property and to disclose the results of that inspection. However, as some Property defects or conditions may not be discoverable from a visual inspection, it is possible Brokers are not aware of them. If you have entered into a written agreement with a Broker, the specific terms of that agreement will determine the nature and extent of that Broker's duty to you. **YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.**

E. YOU ARE ADVISED TO CONDUCT INVESTIGATIONS OF THE ENTIRE PROPERTY, INCLUDING, BUT NOT LIMITED TO THE FOLLOWING:

- 1. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS:** Foundation, roof, plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa, other structural and non-structural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property. (Structural engineers are best suited to determine possible design or construction defects, and whether improvements are structurally sound.)
- 2. SQUARE FOOTAGE, AGE, BOUNDARIES:** Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other natural or constructed barriers or markers do not necessarily identify true Property boundaries. (Professionals such as appraisers, architects, surveyors and civil engineers are best suited to determine square footage, dimensions and boundaries of the Property.)
- 3. WOOD DESTROYING PESTS:** Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms and other infestation or infection. Inspection reports covering these items can be separated into two sections: Section 1 identifies areas where infestation or infection is evident. Section 2 identifies areas where there are conditions likely to lead to infestation or infection. A registered structural pest control company is best suited to perform these inspections.
- 4. SOIL STABILITY:** Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage. (Geotechnical engineers are best suited to determine such conditions, causes and remedies.)

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BIA-A REVISED 10/02 (PAGE 1 OF 2)

Buyer's Initials ([Signature])
Seller's Initials ([Signature])

Reviewed by _____ Date _____



BUYER'S INSPECTION ADVISORY (BIA-A PAGE 1 OF 2)

Agent: Pat Velazquez	Phone: (714) 647-9844	Fax: (714) 647-9843	Prepared using WINForms® software
Broker: Advance Realty	1611 E 4th St Ste 100, Santa Ana	CA 92701	

Property Address: 4827 Tiffany Ln, Yorba Linda CA Date: October 20, 2009

5. **ROOF:** Present condition, age, leaks, and remaining useful life. (Roofing contractors are best suited to determine these conditions.)
6. **POOL/SPA:** Cracks, leaks or operational problems. (Pool contractors are best suited to determine these conditions.)
7. **WASTE DISPOSAL:** Type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.
8. **WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS:** Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components.
9. **ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants). (For more information on these items, you may consult an appropriate professional or read the booklets "Environmental Hazards: A Guide for Homeowners, Buyers, Landlords and Tenants," "Protect Your Family From Lead in Your Home" or both.)
10. **EARTHQUAKES AND FLOODING:** Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood. (A Geologist or Geotechnical Engineer is best suited to provide information on these conditions.)
11. **FIRE, HAZARD AND OTHER INSURANCE:** The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies. (An insurance agent is best suited to provide information on these conditions.)
12. **BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS:** Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size. (Such information is available from appropriate governmental agencies and private information providers. Brokers are not qualified to review or interpret any such information.)
13. **RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants; and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements. (Government agencies can provide information about these restrictions and other requirements.)
14. **SECURITY AND SAFETY:** State and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property. Compliance requirements differ from city to city and county to county. Unless specifically agreed, the Property may not be in compliance with these requirements. (Local government agencies can provide information about these restrictions and other requirements.)
15. **NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS:** Neighborhood or area conditions, including schools, proximity and adequacy of law enforcement, crime statistics, the proximity of registered felons or offenders, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (x) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

By signing below, Buyer and Seller each acknowledge that they have read, understand, accept and have received a Copy of this Advisory. Buyer is encouraged to read it carefully.

Buyer Signature

Date

Buyer Signature

Date

Seller Signature

Date

Seller Signature

Date

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Reviewed by _____ Date _____





CALIFORNIA
ASSOCIATION
OF REALTORS®

ADDENDUM

(C.A.R. Form ADM, Revised 10/01)

No. 1

The following terms and conditions are hereby incorporated in and made a part of the: ☒ Residential Purchase Agreement, ☐ Manufactured Home Purchase Agreement, ☐ Business Purchase Agreement, ☐ Residential Lease or Month-to-Month Rental Agreement, ☐ Vacant Land Purchase Agreement, ☐ Residential Income Property Purchase Agreement, ☐ Commercial Property Purchase Agreement, ☐ other _____

dated _____, on property known as 4827 Tiffany Ln

in which Lina Mallat, Kameel H Andrawos is referred to as ("Buyer/Tenant")
and _____ is referred to as ("Seller/Landlord"),

1) Buyer acknowledges that this purchase contract is subject to final approval by the Bankruptcy Court. The Bankruptcy court approval to be completed within 30 days of acceptance. Escrow period and all time frames in the purchase contract to begin upon Buyer's receipt of written approval of this purchase contract from the Bankruptcy Court.

2) all yard statues, planters and kitchen rack to be part of sale

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date _____

Buyer/Tenant Lina Mallat

Buyer/Tenant Kameel H Andrawos

Date _____

Seller/Landlord [Signature]

Seller/Landlord [Signature]

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Reviewed by _____
Broker or Designee _____ Date _____



ADM-11 REVISED 10/01 (PAGE 1 OF 1)

ADDENDUM (ADM-11 PAGE 1 OF 1)

Advance Realty
Phone: (714) 6479844

1611 E 4th St Ste 100
Fax: (714) 6479843

Santa Ana CA 92701
Pat Velasquez

4827 Tiffany Ln

EXHIBIT 2, Page 58



CALIFORNIA
ASSOCIATION
OF REALTORS®

**WOOD DESTROYING PEST INSPECTION AND
ALLOCATION OF COST ADDENDUM**
(C.A.R. Form WPA, Revised 10/02)

This is an addendum to the ☐ California Residential Purchase Agreement or ☐ Other _____
("Agreement"), dated October 20, 2009
on property known as 4827 Tiffany Ln, Yorba Linda CA ("Property"),
between Lina Mallat, Kameel H Andrawos ("Buyer")
and _____ ("Seller").

THE FOLLOWING SHALL REPLACE THE WOOD DESTROYING PEST INSPECTION PARAGRAPH (4A in the California Residential Purchase Agreement (RPA-CA)) and shall supersede any conflicting terms in any previously-generated agreement.

WOOD DESTROYING PESTS

A. ☐ Buyer ☒ Seller shall pay for a Pest Control Report for wood destroying pests and organisms only ("Report"). The Report shall be prepared by any reliable company, a registered structural pest control company, who shall separate the Report into sections for evident infestation or infection (Section 1) and for conditions likely to lead to infestation or infection (Section 2). The Report shall cover the main building and attached structures and, if checked: ☐ detached garages and carports, ☐ detached decks, ☐ the following other structures on the Property:

The Report shall not include roof coverings. If the Property is a unit in a condominium or other common interest subdivision, the Report shall include only the separate interest and any exclusive-use areas being transferred, and shall not include common areas. Water tests of shower pans on upper level units may not be performed unless the owners of property below the shower consent. If Buyer requests inspection of inaccessible areas, Buyer shall pay for the cost of entry, inspection and closing for those areas, unless otherwise agreed. A written Pest Control Certification shall be issued prior to Close Of Escrow, unless otherwise agreed, only if no infestation or infection is found or if required corrective work is completed.

B. (Section 1) ☐ Buyer ☒ Seller shall pay for work recommended to correct "Section 1" conditions described in the Report and the cost of inspection, entry and closing of those inaccessible areas where active infestation or infection is discovered.

(Section 2) ☒ Buyer ☐ Seller shall pay for work recommended to correct "Section 2" conditions described in the Report if requested by Buyer.

By signing below, the undersigned acknowledge that each has read, understands and has received a copy of this Addendum.

Date _____

Buyer Lina Mallat

Buyer Kameel H Andrawos

Date _____

Seller [Signature]

Seller [Signature]

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Reviewed by _____ Date _____



WPA REVISED 10/02 (PAGE 1 OF 1)

WOOD DESTROYING PEST INSPECTION AND ALLOCATION OF COST ADDENDUM (WPA PAGE 1 OF 1)

Agent: Pat Velasquez Phone: (714)6479844 Fax: (714)6479843 Prepared using WINForms® software
Broker: Advance Realty 1611 E 4th St Ste 100, Santa Ana, CA 92701

EXHIBIT 3

Estimated Seller's Closing Statement

SELLER'S CLOSING STATEMENT
ESTIMATED

Seller:

Anthony Giangrande
Kathleen Giangrande

Escrow No:

20095004-001-CH

Close Date:

12/02/2009

Proration Date:

12/02/2009

Date Prepared:

10/26/2009

Property Address:

4827 Tiffancy Lane
Yorba Linda, CA 92886

Description	Debit	Credit
TOTAL CONSIDERATION: Total Consideration		1,700,000.00
PRORATIONS AND ADJUSTMENTS: County Taxes From 12/2/2009 To 12/31/2009 Based on Semi-Annual amount of \$10,000.00	1,589.04	
COMMISSIONS: Commission	85,000.00	
<div><div>\$42,500.00</div><div>\$42,500.00</div><div>to REMAX Realty Centre</div><div>to Advance Realty</div></div>		
ADDITIONAL CHARGES: Pest inspection to Caliber Termite Zone Disclosure to LGS Notary to Unknown-Estimated Pad (may be returned) to	300.00 125.00 20.00 300.00	
TITLE CHARGES: Title Insurance Fees to Fidelity National Title Sub Escrow Fee to Fidelity National Title Messenger to Fidelity National Title Electronic Recording to Fidelity National Title Wire Fee to Fidelity National Title 1st Half Taxes 2009-10 to "TC	4,060.00 75.00 50.00 25.00 75.00 10,000.00	
ESCROW CHARGES Escrow Fee to Marquis Escrow Order Demand Statement to Marquis Escrow Audit and Administration to Marquis Escrow Prepare Grant Deed to Marquis Escrow Overnight/Messenger/Wire to Marquis Escrow	4,500.00 30.00 25.00 35.00 50.00	
Sub Totals	106,259.04	1,700,000.00
Proceeds Due Seller	1,593,740.96	
Totals	1,700,000.00	1,700,000.00